

Message Text

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21-12

ORIGIN EUR-25

INFO OCT-01 AF-10 ISO-00 PM-07 DODE-00 CIAE-00 INR-10

NSAE-00 RSC-01 COME-00 EB-11 TRSE-00 AID-20 MC-02

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OSD/ISA: MR. SKOGERBOE

OSD/DSAA: MR. GRAND PRE

JCS-J-5: COL. WALTERS

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R 052302Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY RABAT

INFO AMEMBASSY ROME

C O N F I D E N T I A L STATE 238427

E.O. 11652:GDS

TAGS: MASS, MO, IT

SUBJ: GOM HELICOPTER PROCUREMENT FROM ITALIAN AGUSTA FIRM

1. WASHINGTON REPRESENTATIVES OF AGUSTA COMPANY (ITALIAN LICENSE OF BELL HELICOPTERS) CALLED AT DEPARTMENT NOV.30 TO SAY THAT GOM HAS APPROACHED MUSLO WITH REQUEST FOR PRICE AND AVAILABILITY INFORMATION FOR AN ORDER OF BELL HELICOPTERS (36 UH-1H HELICOPTERS)AND 2 CHINOOKS.

2. HE SAID THAT AGUSTA FIRM WAS ASTONISHED TO LEARN THAT GOM IS SEEKING BELL HELICOPTERS UNDER FMS IN VIEW FACT THAT: 1) GOM HAD SENT LETTER OF INTENT TO ITALIAN EMBASSY RABAT ON MAY 15, 1973, CONFIRMING MOROCCAN DECISION TO BUY 18 AB 205'S AND 4 CH-47C'S FOR AN AMOUNT IN THE RANGE OF \$32-35 MILLION, SUBJECT TO WORKING OUT FAVORABLE CONDITIONS
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OF PAYMENT (ORDER SUBSEQUENTLY REVISED TO 36 205'S AND

5 206'S); AND 2) THAT AGUSTA REPRESENTATIVES HAVE BEEN WORKING OUT FINAL DETAILS OF CONTRACT WITH THE GOM DURING THE LAST THREE WEEKS. LOCAL AGUSTA REPRESENTATIVE STATED THAT AGUSTA CONSIDERS THIS DEVELOPMENT UNFAIR AND STILL ANOTHER EXAMPLE OF BELL CIRCUMVENTING TERMS OF ITS LICENSING AGREEMENT WITH AGUSTA (WHICH GIVES AGUSTA EXCLUSIVE MARKETING PRIVILEGE FOR BELL-LICENSED HELICOPTERS IN MOROCCO) THROUGH FMS PROCUREMENT. LOCAL REPRESENTATIVE SAID THAT UNDER THE CIRCUMSTANCES THE LEAST AGUSTA WOULD HOPE FOR WOULD BE FOR USG TO REQUIRE GOM TO PROVIDE US WITH STATEMENT IN WRITING THAT IT NO LONGER WOULD DEAL WITH AGUSTA ON THIS ORDER.

3. WHILE WE DO NOT CONSIDER THE USG UNDER OBLIGATION TO PROVIDE AGUSTA WITH WRITTEN GOM POSITION, WE DO BELIEVE THIS IS MATTER THAT SHOULD BE CLEARLY RESOLVED BETWEEN GOM AND AGUSTA OR AGUSTA AND BELL-FT. WORTH. UNDER AGUSTA-FT. WORTH LICENSING AGREEMENT, MOROCCO EXCLUSIVE AREA FOR AGUSTA, AND FT. WORTH PRECLUDED FROM DIRECT SALE. FMS SALE OF FT. WORTH COMMERCIAL (205/212) OR MILITARY (UH-1H/UH-1N) VERSIONS NOT AFFECTED BY LICENSING AGREEMENT. FMS SALE FOR NUMBER OF OF HELICOPTERS ENVISAGED BY GOM, HOWEVER, WOULD POSE SERIOUS PROBLEM FOR LIMITED CREDIT FUNDS AVAILABILITY.

4. THIS ESSENTIALLY SAME DILEMMA CONFRONTED LAST YEAR WITH U.S. BECOMING INVOLVED IN LICENSING AGREEMENT CONTROVERSY AND SUBJECTED TO STRONG REPRESENTATION BY GOI ON BEHALF OF AGUSTA. DIFFICULTY NOW IS THAT MAGNITUDE OF SALE PROBLEM BEYOND OUR LIKELY CREDIT CAPABILITY. SEEMS TO US GOM PROBABLY BETTER OFF PURSUING AGUSTA ARRANGEMENT AND UTILIZING FMS CREDIT AVAILABLE FOR OTHER ITEMS.

5. DRAWING ON THE ABOVE, WE BELIEVE EMBASSY SHOULD ATTEMPT CLARIFY SITUATION WITH GOM AND INTENTIONS REGARDING AGUSTA SALE. KISSINGER

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Message Attributes

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Concepts: HELICOPTERS, MILITARY SALES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: CKJOHNSON:VE
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Executive Order: GS
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